

TENNESSEE ALCOHOLIC BEVERAGE COMMISSION

**Agenda
June 23, 2015
1:30 pm**

1. APPROVAL OF THE MAY 19, 2015 COMMISSION MEETING MINUTES

2. RETAIL

A. NEW BUSINESS

1. ASHLAND CITY LIQUOR & WINE ASHLAND CITY, TENNESSEE (CHEATHAM COUNTY)

Applicant: Laraye Harris,¹ Sole Proprietor

Before the Commission is a request for licensing of a new retail store to be located at 503 N. Main Street, Ashland City, Tennessee 37015. As verified by TABC staff, Ms. Harris is investing \$25,000 of personal funds into the business. A land lease is not required because Ms. Harris owns the real property where the store will be located. The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. TABC Agent Inspection
- b. Acknowledgement of TABC Rules & Regulations
- c. \$850 License Fee

2. ALLANDALE PACKAGE STORE KINGSPORT, TENNESSEE (HAWKINS COUNTY)

Applicant: PPP Properties, LLC
Member(s): Bobbie H. Phillips 100%

Current: John & Louise Kelly, d/b/a Kelley's Package Store (Permit # 0986)
Proposed: PPP Properties, LLC, d/b/a Allandale Package Store

Before the Commission is a request for a transfer of ownership concerning the retail business located at 4528 W. Stone Drive, Suite 3, Kingsport, Tennessee 37660. If approved, the applicant will purchase the business from the current owner for \$35,000 (plus inventory²), and Ms. Phillips is investing approximately \$100,000 of personal funds into the business, as verified by TABC staff. Ms. Phillips (along with Dennis R. Phillips & James W. Phillips) owns the real property where the store is located and will lease the premises to the applicant for \$1,500 per month.³ The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

¹ Ms. Harris also owns Pleasant View Liquor and Wine (Permit No. 3816) located at 220 Renmar Dr., Pleasant View, Tennessee 37146

² In accordance with Tennessee law, Sellers are to transfer title and possession of the liquor inventory to the applicant via TABC licensed wholesalers' involvement.

³ The initial term of the lease is 60 months; the lease will continue on a month-to-month basis after the initial term ends.

- a. Sales tax number
- b. License Fee
- c. Letter from husband, Dennis Phillips, stating that he will not receive proceeds from the sale of alcoholic beverages

**3. HI-WAY 51 LIQUOR STORE
MEMPHIS, TENNESSEE (SHELBY COUNTY)**

Applicant: Hwy 51 Liquors, LLC
Member(s): Paul Nick Watts 100%

Current: Frankie Fili & Toula Bianchi, d/b/a Highway Fifty One Liquor Store
Proposed: Hwy 51 Liquors, LLC, d/b/a Hi-Way 51 Liquor Store

Before the Commission is a request for a transfer of ownership regarding the package store located at 1209 S. Bellevue, Memphis, Tennessee 38106. The applicant plans to purchase the business from the current owner for \$150,000 (plus inventory⁴) using personal savings, as verified by TABC staff. Mr. Watts also has a 75k Home Equity Line of Credit from Renasant Bank. The applicant will lease the premises from Anthony J. Fili & Christopher C. Fili, for an initial term of ten years at a monthly rental rate of \$1,500. The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. TABC Inspection
- b. Acknowledgement of TABC Rules/Regulations

**4. STELLAR CELLAR WINES & SPIRITS
MEMPHIS, TENNESSEE (SHELBY COUNTY)**

Applicant: Tiffany P. Griffin, Sole Proprietor

Current: Tye J. Griffin, d/b/a Stellar Cellar Wines & Spirits (Permit 3423)
Proposed: Tiffany P. Griffin, d/b/a Stellar Cellar Wines & Spirits

Before the Commission is a request for a transfer of ownership regarding the retail store located at 9005 Highway 64, Memphis, Tennessee; 38002. Tye Griffin, now deceased, named his wife (Tiffany Griffin) as the beneficiary of all property, pursuant to the Executed Last Will and Testament of Tye Jerome Griffin. Ms. Griffin will lease the premises from Westco-Lightman #1, LLC, for a term of 5 years at a monthly rental rate of approximately \$6,200. The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. TABC Inspection
- b. Acknowledgement of TABC Rules/Regulations
- c. TABC Agent Report
- d. License Fee

**5. G&S LIQUORS & WINES
ARDMORE, TENNESSEE (LINCOLN COUNTY)**

Applicant: Gary W. Graviat & Glenn Scott Faulk, Informal Partnership

⁴ In accordance with Tennessee law, Sellers are to transfer title and possession of the liquor inventory to the applicant via TABC licensed wholesalers' involvement.

Before the Commission is a request for licensing of new retail package store to be located at 27115 Main Street, Ardmore, Tennessee; 38449. As verified by TABC staff, Mr. Gravier and Mr. Faulk are each investing \$40,000 of personal funds into the business, and Mr. Faulk also has a line of credit from First National Bank. The applicant is leasing the premises from Timothy A. Abernathy, Therese A. Abernathy, Glenn S. Faulk, and Barbara E. Faulk⁵ for five year term at a monthly rental rate of approximately \$1,750. The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. License Fee

6. MURRY'S DISCOUNT LIQUOR SAVANNAH, TENNESSEE (HARDN COUNTY)

Applicant: Sai 107 Corporation

Shareholder(s): Saurinkumar L. Patel⁶, 100%

Current: Jetta Austin Conway (sole proprietor), d/b/a Murry's Discount Liquor
Proposed: Sai 107 Corporation, d/b/a Murry's Discount Liquor

Before the Commission is a request for a transfer of ownership regarding the retail business located at 335 Pickwick St., Savannah, Tennessee 38372. The applicant will purchase the business from the current owner for \$325k (including inventory⁷). As verified by TABC staff, Mr. Patel is investing \$200k of personal funds into the business and also has a bank loan in the amount of 125k. The owner of the real property has agreed to allow Jetta Austin Conway (tenant) to sublease the premises to the applicant for a three year term⁸ at a monthly rental rate of \$1,100. The TABC staff recommends conditional approval of this request, subject to receipt of the following item:

- a. License Fee

7. FOX MEADOWS LIQUORS MEMPHIS, TENNESSEE (SHELBY COUNTY)

Applicant: KJ Enterprise, LLC

Member(s): Kajijo M. Guya, 100%

Current: LMEA Limited Partners, LLC, d/b/a Fox Meadows Liquor (Permit No. 3702)
Proposed: KJ Enterprise, LLC, d/b/a Fox Meadows Liquor

Before the Commission is a request for a transfer of ownership regarding the retail store located at 3215 S. Mendenhall, Memphis, Tennessee 38115. The applicant is purchasing

⁵ Ms. Faulk provided a letter stating that she will not have any interest in G&S Liquor & Wine

⁶ Saurinkumar L. Patel is the 100% owner of SAI, LLC, d/b/a Cedar Chest Liquors (Permit No. 3980) located at 1615 Wayne Rd., Savannah, Tennessee.

⁷ In accordance with Tennessee law, Sellers are to transfer title and possession of the liquor inventory to the applicant via TABC licensed wholesalers' involvement

⁸ The sublease agreement includes three options to renew

the business from the current owner for \$265k (plus 55k for inventory⁹). Mr. Guya is investing approximately 66k of personal funds into the business and also has a loan in the amount of 280k from Itria Ventures, LLC. The applicant will lease the premises from Bell Company Partnership for an initial term of five years at a monthly rental rate of \$1,500 for months 1-7, and will increase to \$1,750 for months 7-60. The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. License Fee
- b. Evidence of sale closing (closing statement)

8. HOLIDAY WINES AND LIQUORS (Permit No. 3429) FRANKLIN, TENNESSEE (WILLIAMSON COUNTY)

Applicant: Jigisha Patel

Before the Commission is a request to expand the premises of the retail store located at 108 N. Royal Oaks Blvd., Franklin, Tennessee 37067. The applicant will tear down a wall separating the adjacent beer store from the package store to combine the areas into one space. Per the amended lease, the applicant will lease the premises (including the expanded area) from The Edwin B. Raskin Company, agent for Louis J. Resha and Gwenn B. Resha (landlords), and will pay a monthly rent of approximately \$9,000 until the lease terminates in 2017.¹⁰ The TABC staff recommends approval of this request for expansion.

9. ELITE WINE AND SPIRITS, LLC CLARKSVILLE, TENNESSEE (MONTGOMERY, TENNESSEE)

Applicant: Elite Wine and Spirits, LLC
Member(s): Todd Morris¹¹, 100%

Current: Todd Morris, Sole Proprietor, d/b/a Elite Wine & Spirits (Permit No. 3966)

Current Location: 1820 Madison Street, Suite G, Clarksville, Tennessee

Proposed: Elite Wine and Spirits, LLC (Todd Morris, 100%), d/b/a Elite Wine and Spirits, LLC

Proposed Location: 1875 Madison Street, Clarksville, Tennessee

Before the Commission is a request for an ownership transfer – from a sole proprietorship to an LLC. Additionally, the store will move to a new location as specified above. Once the new license becomes effective, the current store will be closed. Mr. Morris is investing \$600,000 (loans from F&M Bank) into the business, as verified by TABC staff. The applicant will lease the premises from Todd Morris Construction for a term of five years at a monthly rental rate of \$10,000. The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. U & O after build-out
- b. TABC Agent Inspection (after build-out)

⁹ In accordance with Tennessee law, Sellers are to transfer title and possession of the liquor inventory to the applicant via TABC licensed wholesalers' involvement.

¹⁰ The lease includes an option to renew for five additional years.

¹¹ Todd Morris the sole member of Mulligan's Wine & Spirits, LLC, d/b/a Mulligan's Wine & Spirits (Permit No. 3940) located at 2255 Wilma Rudolph Blvd., Clarksville, Tennessee.

- c. Acknowledgement of TABC Rules/Regulations
- d. License Fee

10. SMITHVILLE DISCOUNT WINE & SPIRITS SMITHVILLE, TENNESSEE (DEKALB COUNTY)

Applicant: Jimmy Edward Smith, Sole Proprietor

Before the Commission is a request for licensing of a new retail store to be located at 413 E. Broad St., Smithville, Tennessee 37166. As verified by TABC staff, the applicant has 250k line of credit to invest into the business. The applicant is leasing the premises from Randy Paris for a term of two years¹² at a monthly rental rate of \$1,200. The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. TABC Inspection
- b. Acknowledgement of TABC Rules/Regulations
- c. License Fee

11. LIQUOR WORLD GALLATIN, TENNESSEE (SUMNER COUNTY)

Applicant: Surati Retail Investments 2, LLC

Member(s): Sonika Hemel Surati¹³ 99%
Hemel Ramesh Surati 1%

Current: Rupal A. Amin, d/b/a Liquor World

Proposed: Surati Retail Investments 2, LLC, d/b/a Liquor World

Before the Commission is a request for a transfer of ownership regarding the retail store located at 136 N. Belvedere Dr., Gallatin, Tennessee 37066. The applicant is purchasing the business from the current owner for approximately \$810k, including inventory.¹⁴ As verified by TABC staff, the applicant members are investing approximately \$920k into the business (\$200k of personal funds, \$340k bank loan, and the remaining funds are being held in an escrow account). The applicant will lease the premises from WB Village Green, LLC for a term of three years¹⁵ at a monthly rental rate of approximately \$4,100. The TABC staff recommends conditional approval of this request, pending receipt of the following items:

- a. TABC Inspection
- b. Acknowledgement of TABC Rules/Regulations
- c. Certificate of Occupancy
- d. License Fee

¹² The lease includes an option to renew for three additional years at a monthly rental rate of \$1,500.

¹³ Sonika H. Surati & Hemel R. Surati are owners (99% and 1%) of Surati Retail Investments, LLC, d/b/a Broadway Discount Liquors (permit no. 3969), located at 415 E. Broadway, Gallatin, TN 37066)

¹⁴ In accordance with Tennessee law, Sellers are to transfer title and possession of the liquor inventory to the applicant via TABC licensed wholesalers' involvement.

¹⁵ The lease includes two, five-year renewal options.

3. WINERIES

1. SPOUT SPRING ESTATES BLAINE, TENNESSEE (GRAINGER COUNTY)

Applicant: Spout Spring Estates Winery & Vineyard, LLC

Member(s):	Ned W. Belt, Jr.	50%
	Alice R. Belt	50%

Before the Commission is a request for licensing of a winery located at 430 Riddle Lane, Blaine, Tennessee; 37709. Currently the applicant is licensed as a farm winery¹⁶ (Permit FW-82) at this location but is now requesting licensing as a winery. Mr. and Mrs. Belt are investing \$50,000 of personal savings into the business. They also own the real property where the winery is located and will lease the premises to the applicant for an initial term of ten years at an annual rental rate \$1.00.¹⁷ The TABC staff recommends conditional approval of this request, subject to receipt of the following item:

- a. \$150.00 License Fee

4. FARM WINERIES - None

5. WHOLESALERS - None

6. DISTILLERY/BREWERY

A. New Business

1. SIXPOINT BREWERY MEMPHIS, TENNESSE (SHELBY COUNTY)

Applicant: Mad Scientists Brewing Partners, LLC¹⁸

Member(s):	Shane C. Welch, Managing Member	100%
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The applicant is requesting a license to brew high alcohol content beer at 5151 East Raines Rd., Memphis, Tennessee 38118, pursuant to alternating proprietorship with Blues City Brewery, LLC; d/b/a Blues City Brewery (Permit No. 73) located this address. There is sufficient, segregated space and equipment to allow the applicant to manufacture its products independently. The operations will be funded by ongoing production and sales, and the TABC staff has verified the financing for the business. The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. TN Sales Tax #
- b. \$1,000 License Fee

¹⁶ Permit FW-82 will be voided once the winery license is effective.

¹⁷ After the third year of the lease, annual rent will increase to \$1,200.

¹⁸ Located at 40 Van Dyke Street, Brooklyn, NY 11231

2. CRYSTAL FALLS SPIRITS SEVIERVILLE, TENNESSEE (SEVIER COUNTY)

Applicant: Crystal Falls Spirits, LLC

Member(s): Jay Holeman 100%

Before the Commission is a request for licensing of a new distillery to be located at 2874 Newport Hwy, Sevierville, Tennessee 37876. Mr. Holeman is investing \$15,000 of personal funds into the business and will lease the premises from Holeman Properties, LLC, for a ten year term at a monthly rental rate of \$2,800. The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. ~~Certificate of Occupancy~~ – received 06/09/15
- b. \$1,000 License Fee

3. KNOX WHISKEY WORKS KNOXVILLE, TENNESSEE (KNOX COUNTY)

Applicant: Knox Whiskey Works, LLC

Member(s):	Name	%
	Bailey Ewan	22.56
	Ronald Grazioso, Jr.	15.04
	Jessica Hernandez	22.56
	Michael Pacetti	7.52
	Cynthia Nichols	7.52
	Charles S. Webster	0.75
	Anne Ford	3.01
	Deborah Ford	3.01
	Susan Pate	6.00
	Shane Pack	1.50
	Phillip Perkins	7.52
	Leigh Davis	3.01

Before the Commission is a request for licensing of a new distillery to be located at 516 W. Jackson Avenue, Knoxville, Tennessee; 37902. The LLC members are investing a combined total of approximately \$330k of personal funds into the business. Financing for the business has been verified by TABC staff. The applicant will lease the premises from Old City Properties, LLC for a term of five years at a monthly rental rate of \$2,750. The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. TABC Final Inspection (after build-out)
- b. Certificate of Occupancy
- c. T.C.A § 57-2-103(d)(4) distance letter
- d. \$1,000 License Fee

4. OLD FORGE DISTILLERY SEVIERVILLE, TENNESSEE (SEVIER COUNTY)

Applicant: Old Forge Distillery LLC

Original Premises: 170 Old Mill Avenue, Pigeon Forge, Tennessee 37863 (Sevier County)

The applicant is requesting approval to store its products at 1893 County Meadows Drive, Sevierville, Tennessee, as permitted under T.C.A. § 57-2-104.¹⁹ The storage facility (non-contiguous premises) will be located in the same county as the original premises. No distilling or bottling will occur at the non-contiguous premises. The applicant is leasing the premises from Cherokee Partners for a term of ten years at a monthly rental rate of \$1,500. The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. TTB Federal Basic Permit (TTB approval of non-contiguous premises)
- b. TABC Inspection – received 6.11.15
- c. Certificate of Occupancy

7. PRIVATE CLUBS

A. New Business

1. GATLINBURG GOLF AND RACQUET CLUB CONDOMINIUM ASSOCIATION, INC. GATLINBURG, TENNESSEE (SEVIER COUNTY)

Applicant: Gatlinburg Golf and Racquet Club Condominium Association, Inc.

Club Officers: Luther Parker, President
Janis Lopez, Vice President
Albert Villafuerte, Secretary
Larry Ohm, Treasurer
Joseph W. Thomas, Jr., General Manager

Before the Commission is a request for licensing pursuant to T.C.A. 57-4-102(8)(A), of a not-for-profit private club located at 3710 Weber Road, Gatlinburg, TN 37738-6450. The applicant is a nonprofit organization organized and existing under the laws of the State of Tennessee and has approximately 128 members with each member paying approximately \$300.00 in annual dues. A land lease is not required as the applicant owns the real property. The applicant meets the remaining requirements of being a private club under the Tennessee Code and the TABC staff recommends conditional approval of this request subject to receipt of the following items:

- a. TABC Inspection
- b. Acknowledgement of Rules and Regulations
- c. Alcoholic Beverage Tax Bond from DOR
- d. License Fee
- e. Employee Permit Applications

8. MISC - None

¹⁹ 57-2-104: It is lawful for the holder of a license issued pursuant to § 57-2-102, or the authorized agent of such licensee, to possess, store or transport the products of the manufacturing plant within, over and across the state; provided, that any alcoholic beverages or wine produced at a plant located within this state shall be stored by the licensee only within the county authorizing the operation or in a county adjacent to the county authorizing the manufacturing operation, and such possession shall be limited to storage facilities of such manufacturer; and further provided, that such licensee may also possess such alcoholic beverages or wine while being transported, whether within or outside of the state. It is lawful for common carriers to transport the products of such manufacturing plant only pursuant to an agreement or contract with a licensee under this title.

9. UPCOMING MEETINGS

- Tuesday, July 21, 2015
- August Commission Meeting Date – to be determined